

# Tale of two banks in Tanganyika sale

ANDREW WILLIS, TODAY AT 8:41 AM EDT

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The \$2-billion sale of Tanganyika Oil to China's Sinopec marks a coming-of-age for one investment bank, and an end-of-an-age for another.

In the latest sale of a Canadian energy company with Middle East holdings, Calgary-based Tanganyika and its Syrian properties attracted a \$31.50-a-share cash bid from Sinopec International Petroleum Exploration and Production, a Chinese government-owned refiner.

Scotia Waterous, the Calgary-based energy banking arm of Bank of Nova Scotia, served as sole financial adviser to Tanganyika. It's the latest sign that a dealer with roots in the Alberta oil patch has spread its wings internationally.

This win comes on the heels of successful Scotia Waterous mandates in South America over the last year, and those transactions spoke to the fact that the investment bank is integrating its client base with that of the parent commercial bank. On the legal front, Tanganyika looked to Cassels, Brock & Blackwell.

The what-might-have-been side of this deal comes with Sinopec's choice of adviser: The Chinese refiner is a dream client, as it will likely be an acquisition machine, and it tapped Lehman Brothers as its financial adviser.

Lehman established a strong presence in the Canadian oil patch over the past 18 months, and has a strong Asian office. But well-chronicled problems on Wall Street brought the firm down, and Lehman investment bankers will soon be presenting a business card that reads Barclays Capital. Sinopec looked to law firm Stikeman Elliott, along with Vinson & Elkins, as its counsel.

Over the past three years, Calgary has seen PetroKazakhstan go to a Chinese company for \$4.2-billion, Italy's Eni take out First Calgary Petroleum and its Algerian properties for \$923-million and Centurion Energy International and its Egyptian holdings go for \$1.3-billion to Dana Gas of the United Arab Emirates.

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